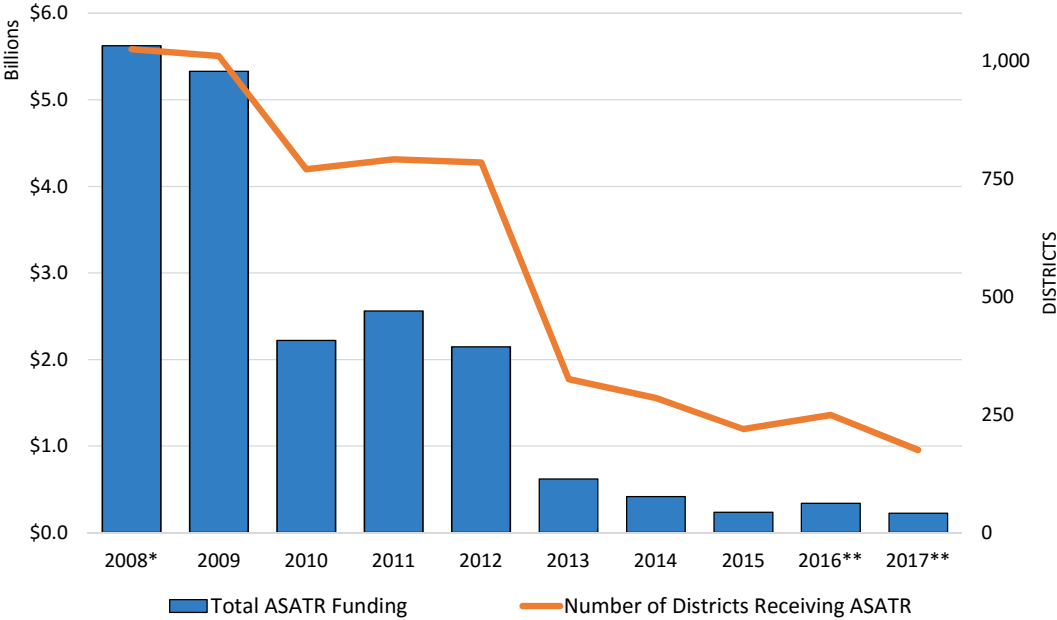


# WHAT IS ASATR ?

Additional state aid for tax relief (ASATR) is hold harmless funding that augments Foundation School Program (FSP) Tier 1 formula funding for some districts. Reliance on ASATR declines as formula funding increases. This hold harmless aid for school tax rate reductions has been in place since fiscal year 2007 and expires at the end of fiscal year 2017.

## FUNDING AND DISTRICTS



\* First year full implementation of tax rate compression

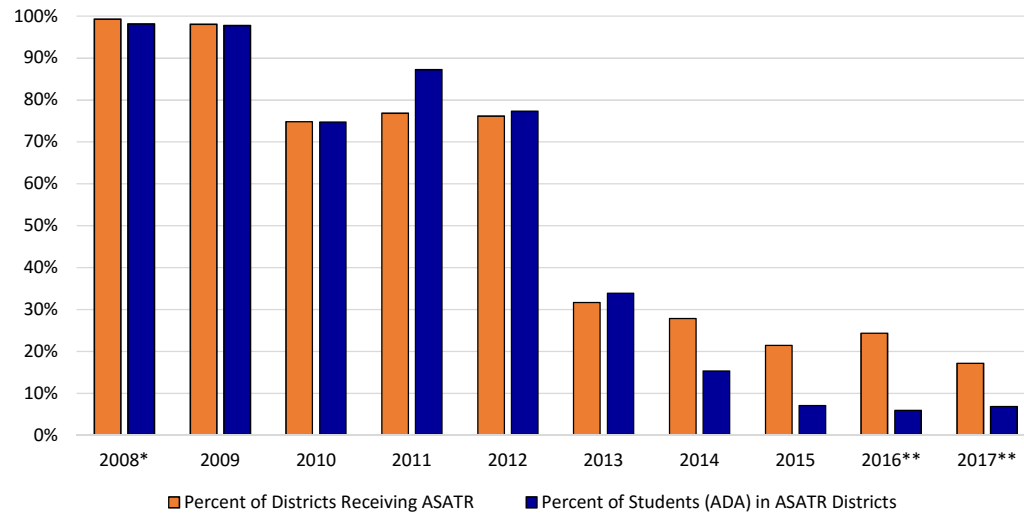
\*\* FY16 and FY17 are Estimated

## HISTORY

- 2006** – Property tax relief legislation was enacted (HB 1, 79-3CS) to compress school district maintenance and operations (M&O) tax rates by one-third and provide \$0.17 of new capacity for enrichment
- Included Hold Harmless mechanism known as Additional State Aid for Tax Relief (ASATR)
  - ASATR amount was equal to the difference between a district’s “Target Revenue” and FSP formula funding at the compressed rate
  - Target Revenue was equal to the greater of district state and local revenue per weighted student under three different scenarios, one based on 2005-06 data and two using 2006-07 data
  - Dragback – district funding was reduced by the amount that state and local revenue at the compressed rate exceeded “Target Revenue”
- 2009** – HB 3646 (81RS) rebased “Target Revenue” to FY10 funding levels
- Incorporated several funding streams that functioned outside the target revenue structure
  - Added adjustments to accommodate changes in district transportation allotments and allotments awarded for school start-up costs
  - Ensured minimum gain of \$120 per weighted student
  - Increased formula funding by raising the basic allotment and extending the mid-sized adjustment to districts subject to recapture
  - Relaxed dragback to allow school districts to gain up to \$350 per weighted student each year without incurring dragback
- 2011** – SB 1 (82-1CS) Established phase-out mechanism and expiration of ASATR
- Repealed dragback
  - Added Hold Harmless Reduction Percentage (92.35%) applied beginning in FY13 to reduce target revenue
  - Added expiration of ASATR effective at the end of FY17
- 2013** – SB 1 (83RS) General Appropriations Act Increased Formula Funding
- Increased the Basic Allotment in both years of the biennium
  - Restored Tier 1 Regular Program Allotment Funding
  - Relaxed the Hold Harmless Reduction Percentage applied to target revenue for FY14 and FY15 to 92.63%
- 2015** – HB 1 (84RS) and HB 7 (84RS)
- HB 1 General Appropriations Act (GAA) Increased Formula Funding by raising the Basic Allotment
  - HB 1 GAA maintained Hold Harmless Reduction Percentage at 92.63%
  - HB 7 Increased Access to Formula Funding for the 472 districts with rates that were compressed below \$1.00 by the 2006 legislation (HB 1, 79-3CS)

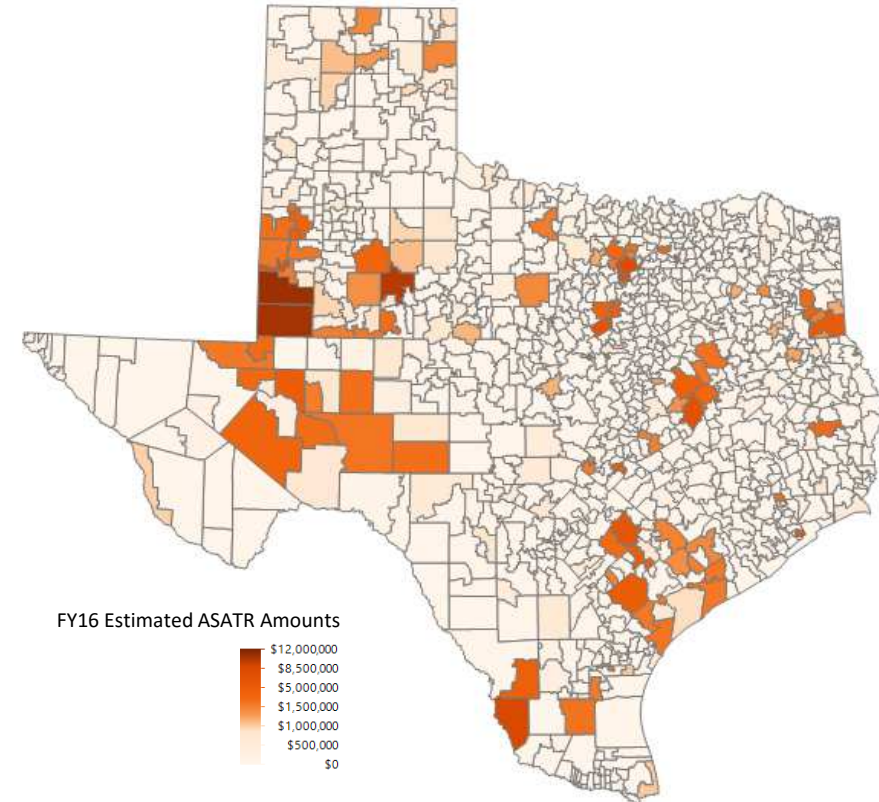
# ASATR STATISTICS

## % DISTRICTS AND STUDENTS AFFECTED BY ASATR



\* First year full implementation of tax rate compression

\*\* FY16 and FY17 are Estimated



## # Districts and \$ ASATR by FY16 M&O Revenue per WADA

